

MAR 13 2015

SENATE RESOLUTION

REQUESTING THE DEPARTMENT OF BUDGET AND FINANCE TO CONSIDER
ESTABLISHING A POLICY TO IMPOSE THE FRINGE BENEFIT
ASSESSMENT ON PERSONNEL SALARIES OR WAGES PAID FROM THE
GENERAL FUND.

1 WHEREAS, the Department of Budget and Finance imposes a
2 fringe benefit assessment on personnel salaries or wages paid
3 from non-general funds; and
4

5 WHEREAS, beginning with fiscal year 2015-2016, the planned
6 fringe benefit assessment will be fifty-two per cent of the
7 salary or wages for a position paid from non-general funds; and
8

9 WHEREAS, the Department of Budget and Finance does not
10 impose a similar fringe benefit assessment on personnel salaries
11 and wages paid from general funds; and
12

13 WHEREAS, the Department of Budget and Finance budgets
14 fringe benefit costs of positions in central program IDs; and
15

16 WHEREAS, the Department of Budget and Finance appears to
17 use assumptions to project increased appropriations for fringe
18 benefit costs for general funded positions rather than a
19 computation based on the specific budget requests of a
20 department; and
21

22 WHEREAS, in essence, this manner of budgeting for fringe
23 benefit costs shields the departments from responsibility and
24 accountability for the additional burden of those costs; and
25

26 WHEREAS, the manner of budgeting should change in order to
27 make the departments more aware of the impact of budget requests
28 for new general funded positions or trade-offs from other
29 current expenses or equipment to personal services; now,
30 therefore,
31

32 BE IT RESOLVED by the Senate of the Twenty-eighth
33 Legislature of the State of Hawaii, Regular Session of 2015,



1 that the Department of Budget and Finance is requested to
2 consider establishing a policy to impose the fringe benefit
3 assessment on new appropriation and new trade-off requests to
4 pay personnel salaries or wages with general funds; and
5

6 BE IT FURTHER RESOLVED that, under the policy, the
7 Department of Budget and Finance is requested to consider
8 requiring each department to pay fringe benefit assessments of
9 unauthorized positions out of the general fund appropriations in
10 their base budgets; and
11

12 BE IT FURTHER RESOLVED that the Department of Budget and
13 Finance is requested to make the policy operational beginning
14 with the executive budget for the fiscal biennium 2017-2019; and
15

16 BE IT FURTHER RESOLVED that, if the Department of Budget
17 and Finance deems the imposition of an assessment to be too
18 difficult or costly, the Department of Budget and Finance is
19 requested to require departments to submit to the Legislature
20 information on the fringe benefit costs resulting from budget
21 requests for new general funded positions and trade-off requests
22 to pay salaries or wages with general funds; and
23

24 BE IT FURTHER RESOLVED that the Department of Budget and
25 Finance is requested to submit a progress report on
26 establishment of the policy to the Legislature no later than
27 twenty days prior to the convening of the Regular Session of
28 2016; and
29

30 BE IT FURTHER RESOLVED that a certified copy of this
31 Resolution be transmitted to the Director of Finance.
32
33
34

OFFERED BY: _____

